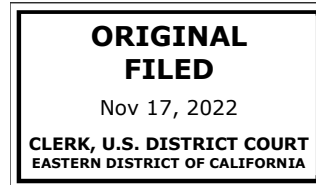


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**SEALED**

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United States of America  
7

8 IN THE UNITED STATES DISTRICT COURT  
9 EASTERN DISTRICT OF CALIFORNIA

10 UNITED STATES OF AMERICA,  
11  
12 Plaintiff,  
13  
14 v.  
15 [REDACTED]  
16 YU ZHENG,  
17 [REDACTED] and  
18 [REDACTED],  
19 Defendants.

CASE NO. 2:22-cr-0231 JAM

21 21 U.S.C. §§ 846, 841(a)(1) – Conspiracy to  
Manufacture Marijuana (2 counts); 18 U.S.C. §  
1956(h) – Conspiracy to Launder Money; 18 U.S.C.  
§ 1956(a)(2)(A) – International Money Laundering  
(2 counts); 18 U.S.C. § 1956(a)(1)(B)(i) –  
Concealment Money Laundering (2 counts); 18  
U.S.C. § 1956(a)(1)(B)(ii) – Laundering of Proceeds;  
31 U.S.C. § 5342(a)(2) – Causing the filing of a  
False CTR (2 counts); 31 U.S.C. § 5324(a)(3) –  
Structuring; 21 U.S.C. § 853(a), 18 U.S.C. §  
982(a)(1) and 31 U.S.C. § 5317(c)(1) – Criminal  
Forfeiture

**WESTERN DISTRICT OF OKLAHOMA  
CASE NO. M-23-474-SM**

20 I N D I C T M E N T

21 COUNT ONE: [21 U.S.C. §§ 841(a)(1) and 846 – Conspiracy to Manufacture Marijuana]

22 The Grand Jury charges: T H A T

23 [REDACTED]  
YU ZHENG,  
24 [REDACTED] and  
[REDACTED],

25 defendants herein, between on or about June 29, 2017, and continuing through on or about July 8, 2019,  
26 in the Counties of Butte, Yuba, and Calaveras, State and Eastern District of California, and elsewhere,  
27 did knowingly and intentionally conspire and agree with each other and with other persons known and  
28 unknown to the Grand Jury, to manufacture at least 100 marijuana plants, a Schedule I Controlled

Substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 846.

COUNT TWO: [18 U.S.C. §§ 1956(h) – Conspiracy to Launder Money]

The Grand Jury further charges:

YU ZHENG and

defendants herein, as follows:

**THE CONSPIRACY**

1. Between on or about October 27, 2017, and continuing through on or about December 30, 2017, in the County of Butte, State and Eastern District of California, and elsewhere, defendants [REDACTED], YU ZHENG, and [REDACTED] did knowingly combine, conspire, and agree with each other and with other persons known and unknown to the Grand Jury to commit money laundering offenses against the United States, to wit:

- a. to transport, transmit and transfer and attempt to transport, transmit and transfer a monetary instrument and funds to a place in the United States from and through a place outside the United States with the intent to promote the carrying on of specified unlawful activity, that is, violations of Title 21, United States Code, Sections 841 and 846, Conspiracy to Manufacture Marijuana and Manufacture of Marijuana, in violation of Title 18, United States Code, Section 1956(a)(2)(A);
- b. to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, violations of Title 21, United States Code, Sections 841 and 846, Conspiracy to Manufacture Marijuana and Manufacture of Marijuana, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i);
- c. to knowingly conduct and attempt to conduct financial transactions affecting interstate and

foreign commerce, which transactions involved the proceeds of a specified unlawful activity, that is violations of Title 21, United States Code, Sections 841 and 846, Conspiracy to Manufacture Marijuana and Manufacture of Marijuana, knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the transactions were designed in whole and in part to avoid a transaction reporting requirement under State and Federal law, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(ii); and

- d. to knowingly engage and attempt to engage, in monetary transactions by, through or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, such property having been derived from specified unlawful activity, that is, violations of Title 21, United States Code, Sections 841 and 846, Conspiracy to Manufacture Marijuana and Manufacture of Marijuana, in violation of Title 18, United States Code, Section 1957.

### **MANNER AND MEANS**

In furtherance of the conspiracy to launder money, [REDACTED], YU ZHENG, and [REDACTED] employed, among others, the following manner and means:

2. [REDACTED], YU ZHENG, and [REDACTED] conspired to transport money from China into the United States to promote the specified unlawful activity of violations of Title 21, United States Code, Sections 841 and 846, Conspiracy to Manufacture Marijuana and Manufacture of Marijuana, by purchasing a house within which they conspired to grow marijuana.

3. [REDACTED], YU ZHENG, and [REDACTED] conspired to conceal the source of funds used to buy a house with proceeds of specified unlawful activity, that is violations of Title 21, United States Code, Sections 841 and 846, Conspiracy to Manufacture Marijuana and Manufacture of Marijuana, by engaging in financial transactions designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and while conducting and attempting to conduct such financial transactions, they knew the property involved represented proceeds of the manufacture of marijuana.

1           4.     [REDACTED] and YU ZHENG engaged in financial transactions that involved proceeds  
2 of violations of Title 21, United States Code, Sections 841 and 846, Conspiracy to Manufacture  
3 Marijuana and Manufacture of Marijuana, and knew that the transactions were designed in whole and in  
4 part to avoid a transaction reporting requirement relating to the cash and other proceeds of the  
5 manufacture of marijuana.

6           5.     [REDACTED], YU ZHENG, and [REDACTED] also engaged in financial  
7 transactions in criminally derived property of a value over \$10,000 while knowing that the property was  
8 derived from the specified unlawful activity of the conspiracy to manufacture marijuana.

9           6.     On or about October 27, 2017, YU ZHENG, acting as a straw buyer for [REDACTED]  
10 [REDACTED] and represented by [REDACTED], a licensed realtor, made an offer to purchase real property  
11 located at 2800 Cherokee Road, Oroville, California for \$585,000. The sellers accepted the offer on or  
12 about October 30, 2017, and escrow number 0403-5578378 was opened at Mid Valley Title and Escrow  
13 Company in Oroville, California.

14           7.     On or about November 2, 2017, YU ZHENG deposited \$6,000.00 in United States  
15 currency into his Bank of America account #XXXX8054 and wired \$6,000.00 to Mid Valley Title as an  
16 earnest money deposit towards the purchase of 2800 Cherokee Road, Oroville, California.

17           8.     On or about November 17, 2017, YU ZHENG received a wire transfer of \$39,980.00  
18 from account number XXXX6102 at China Minsheng Banking Corporation LTD in China to YU  
19 ZHENG's Bank of America account #XXXX8054.

20           9.     On or about November 20, 2017, YU ZHENG caused to be wired \$40,000.00 to Mid  
21 Valley Title Company from his Bank of America account #XXXX8054 as part of the down payment for  
22 the purchase of 2800 Cherokee Road, Oroville, California for the purpose of converting the residence  
23 into an indoor marijuana cultivation site. The wire transfer from China into YU ZHENG's Bank of  
24 America account #XXXX8054 on November 17, 2017, funded this wire.

25           10.    On or about November 20, 2017, a brother of YU ZHENG received a wire transfer of  
26 \$39,980.00 from account number XX6110 at China Minsheng Banking Corporation LTD in China into  
27 his bank account #XXXX4667 located at First National Bank of Pennsylvania. On that same date, the  
28 brother caused to be wired \$40,000.00 to Mid Valley Title Company as part of the down payment for the

1 purchase of 2800 Cherokee Road, Oroville, California.

2 11. On or about November 21, 2017, realtor [REDACTED] received \$40,000.00 in United  
3 States currency from [REDACTED] and deposited it into Bank of America account number  
4 XXXX3280 in the name of [REDACTED]. [REDACTED] failed to file a Form 8300 with the  
5 Internal Revenue Service pertaining to the receipt of these funds from [REDACTED], and caused  
6 Bank of America to file a Form 4789, Currency Transaction Report, that contained a material  
7 misstatement as to whom the funds belonged. Also on or about November 21, 2017, [REDACTED]  
8 purchased Bank of America cashier's check number 0815007546 for \$40,000.00, drawn on Bank of  
9 America account number XXXX3280 in the name of [REDACTED], payable to Mid Valley  
10 Title Company, and deposited it into escrow for the purchase of 2800 Cherokee Road, Oroville,  
11 California.

12 12. On or about November 29, 2017, realtor [REDACTED] received \$60,600.00 in United  
13 States currency from [REDACTED] and deposited it into Bank of America account number  
14 XXXX3280 in the name of [REDACTED]. [REDACTED] failed to file a Form 8300 with the  
15 Internal Revenue Service pertaining to the receipt of these funds from [REDACTED], and caused  
16 Bank of America to file a Form 4789, Currency Transaction Report, that contained a material  
17 misstatement as to whom the funds belonged. On or about that same date, [REDACTED] wired  
18 \$63,536.00 from Bank of America account number XXXX3280 in the name of [REDACTED].  
19 to Mid Valley Title Company for the purchase of 2800 Cherokee Road, Oroville, California.

20 13. On or about November 30, 2017, YU ZHENG signed and submitted a false loan  
21 application to a lender indicating falsely that he worked for Wu Construction located at 4237 Thalia  
22 Way, Rancho Cordova, California and earned \$15,000 per month. [REDACTED] owned 4237 Thalia  
23 Way, Rancho Cordova, California.

24 14. On or about December 30, 2017, [REDACTED] gave YU ZHENG \$35,000 in U.S.  
25 currency and YU ZHENG deposited \$8,000.00 of it into his Bank of America account number  
26 XXXX8054.

27 All in violation of Title 18, United States Code, Section 1956(h).  
28

COUNTS THREE AND FOUR: [18 U.S.C. § 1956(a)(2)(A) – Promotional Money Laundering]

The Grand Jury further charges: T H A T

YU ZHENG,

defendant herein, on or about November 17, 2017, in the County of Butte, State and Eastern District of California, and elsewhere, did transport, transmit, and transfer funds and aid and abet others to transport, transmit, and transfer funds to a place in the United States from and through a place outside the United States, with the intent to promote the carrying on of specified unlawful activity, that is violations of Title 21, United States Code, Sections 841 and 846, Conspiracy to Manufacture Marijuana and Manufacture of Marijuana, as follows:

Count	Date	Amount	Description
3	November 17, 2017	\$39,980.00	Wire transfer from China Minsheng Banking Corp. LTD account number XXXX6102 into YU ZHENG's Bank of America account number XXXX8054.
4	November 17, 2017	\$39,980.00	Wire transfer from China Minsheng Banking Corp. LTD account number XX6110 into First National Bank of Pennsylvania account number XXXX4667 in the name of YU ZHENG's brother.

All in violation of Title 18, United States Code, Sections 2 and 1956(a)(2)(A).

COUNTS FIVE AND SIX: [18 U.S.C. § 1956(a)(1)(B)(i) – Concealment Money Laundering]

The Grand Jury further charges: T H A T

██████████ and  
██████████,

defendants herein, on or about the dates set forth below, in the County of Sacramento, State and Eastern District of California, and elsewhere did knowingly conduct and attempt to conduct financial transactions affecting interstate commerce, which involved the proceeds a specified unlawful activity, that is violations of Title 21, United States Code, Sections 841 and 846, Conspiracy to Manufacture Marijuana and Manufacture of Marijuana, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership and the control of the proceeds of said specified unlawful activity, and that while conducting and attempting to conduct such



financial transactions knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, as specified more fully in the table below:

Count	Date	Amount	Description
5	November 21, 2017	\$40,000.00	Purchase of Bank of America cashier's check number 0815007546, payable to Mid Valley Title & Escrow Company with \$40,000.00 in United States currency
6	November 29, 2017	\$60,600.00	Deposit of \$60,600.00 in United States currency into Bank of America account number XXXX3280 in the name of [REDACTED].

All in violation of Title 18, United States Code, Sections 2 and 1956(a)(1)(B)(i).

COUNTS SEVEN AND EIGHT: [31 U.S.C. § 5324(a)(2) – Causing the Filing of a False Currency Transaction Report]

The Grand Jury further charges: T H A T

[REDACTED],  
defendant herein, on or about the dates set forth below, in the County of Sacramento, State and Eastern District of California, and elsewhere, knowingly and for the purpose of evading the reporting requirements of section 5313 of Title 31, United States Code, and the regulations promulgated thereunder, did cause and attempt to cause a domestic financial institution to file a report required under section 5313 of Title 31, and any regulations prescribed thereunder, that contained a material omission and misstatement of fact, as described in the table below:

Count	Date	Description
7	November 21, 2017	Material omission and misstatement of fact concerning the true ownership of \$40,000.00 in United States currency belonging to [REDACTED]
8	November 29, 2017	Material omission and misstatement of fact concerning the true ownership of \$60,600.00 in United States currency belonging to [REDACTED]

All in violation of Title 31, United States Code, Sections 5324(a)(2) and 5324(d); Title 31, Code of

1 Federal Regulations, Sections 1010.100, 1010.311 and 1010.313; and Title 18, United States Code,  
2 Section 2.

3 COUNT NINE: [18 U.S.C. § 1956(a)(1)(B)(ii) – Money Laundering to Avoid Transaction  
4 Reporting Requirement]

5 The Grand Jury further charges: T H A T

6 YU ZHENG,  
7 defendant herein, from on or about March 5, 2018, through on or about March 6, 2018, in the County of  
8 Butte, State and Eastern District of California and elsewhere, did knowingly conduct and attempt to  
9 conduct a series of financial transactions affecting interstate commerce, to wit the structured deposit of  
10 \$17,500.00 in United States currency into Bank of America account number XX8054 in the name of YU  
11 ZHENG, which involved the proceeds of a specified unlawful activity, namely violations of Title 21,  
12 United States Code, Sections 841 and 846, Conspiracy to Manufacture Marijuana and Manufacture of  
13 Marijuana, knowing that the transactions were designed in whole and in part to avoid a transaction  
14 reporting requirement under State and Federal law, and that while conducting and attempting to conduct  
15 such financial transaction knew that the property involved in the financial transaction represented the  
16 proceeds of some form of unlawful activity, all in violation of Title 18, United States Code, Sections 2  
17 and 1956(a)(1)(B)(ii).

18 COUNT TEN: [31 U.S.C. § 5324(a)(3) and (d)(2) – Structuring Currency Transactions]

19 The Grand Jury further charges: T H A T

20 YU ZHENG,  
21 defendant herein, from on or about March 5, 2018, through on or about March 6, 2018, in the Counties  
22 of Butte and Yuba, State and Eastern District of California, and elsewhere, did knowingly and for the  
23 purpose of evading the reporting requirements of Title 31, United States Code, Sections 5313(a) and  
24 5325, and the regulations promulgated thereunder, structure the following transactions with a domestic  
25 financial institution, to wit: cash deposits into his Bank of America account #XXXX8054, and did so  
26 while violating another law of the United States:  
27  
28



Date	Amount	Deposit Description/Location
March 5, 2018	\$4,000.00	ATM cash deposit, Oroville, California
March 5, 2018	\$9,000.00	Counter cash deposit, Marysville, California
March 6, 2018	\$4,500.00	ATM cash deposit, Oroville, California

All in violation of Title 31, United States Code, Section 5324(a)(3) and (d)(2); Title 31, Code of Federal Regulations, Section 103.11; and Title 18, United States Code, Section 2.

COUNT ELEVEN: [21 U.S.C. §§ 841(a)(1) and 846 - Conspiracy to Manufacture Marijuana]

The Grand Jury further charges: T H A T

[REDACTED],  
defendant herein, between on or about September 1, 2019, and continuing through on or about June 5, 2020, in the Counties of Yolo and Placer, State and Eastern District of California, and elsewhere, did knowingly and intentionally conspire and agree with each other and with other persons known and unknown to the Grand Jury, to manufacture at least 100 marijuana plants, a Schedule I Controlled Substance, in violation of Title 21, United States Code, Sections and 841(a)(1) and 846.

FORFEITURE ALLEGATION: [21 U.S.C. § 853(a), 18 U.S.C. § 982(a)(1) and 31 U.S.C. § 5317(c)(1) – Criminal Forfeiture]

1. Upon conviction of one or more of the offenses alleged in Counts One and Eleven of this Indictment, defendants [REDACTED], YU ZHENG, [REDACTED], and [REDACTED] shall forfeit to the United States pursuant to Title 21, United States Code, Section 853(a), the following property:

a. Any real or personal property, which constitutes or is derived from any proceeds obtained, directly or indirectly, as a result of such offenses; and any property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of the offenses.

b. A sum of money equal to the total amount of proceeds obtained as a result of the offenses for which defendant is convicted.

2. Upon conviction of one or more of the offenses alleged in Counts Two through Six and Nine of this Indictment, defendants [REDACTED], YU ZHENG, and [REDACTED], shall forfeit to

the United States, pursuant to 18 U.S.C. § 982(a)(1), all property, real or personal, involved in such violations, and any property traceable to such property, including but not limited to the following:

a. A sum of money equal to the amount of money involved in the offenses, for which defendants are convicted.

3. Upon conviction of the offense alleged in Counts Seven, Eight and Ten of this Indictment, defendants YU ZHENG and [REDACTED] shall forfeit to the United States pursuant to 31 U.S.C. § 5317(c)(1), all property, real and personal, involved in the offense and any property traceable to such property, including but not limited to the following:

a. A sum of money equal to the total amount of money involved in such offense, for which the defendant is convicted.

4. If any property subject to forfeiture, as a result of the offenses alleged in Counts One through Eleven of this Indictment, for which the defendants are convicted:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(a), 18 U.S.C. § 982(a)(1) and 31 U.S.C. § 5317(c)(1), to seek forfeiture of any other property of defendants, up to the value of the property subject to forfeiture.

A TRUE BILL.

[REDACTED]  
FOREPERSON

  
PHILLIP A. TALBERT  
United States Attorney

**UNITED STATES DISTRICT COURT**  
**EASTERN DISTRICT OF CALIFORNIA**

**USA ,**

**Case No: 2:22-CR-00231-JAM \*SEALED\***

**v.**

**YU ZHENG ,**

**WARRANT FOR ARREST**

**TO: THE UNITED STATES MARSHAL**  
and any Authorized United States Officer

**YOU ARE HEREBY COMMANDED TO ARREST: Yu Zheng**

and bring him or her forthwith to the nearest United States magistrate judge to answer a(n)

**Indictment**

charging him or her with (*brief description of offense*)

**Conspiracy to Manufacture Marijuana**

in violation of Title 21 United States Code, Section(s) 841

V. Licea Chavez  
Name of Issuing Officer

Deputy Clerk  
Title of Issuing Officer

Signature of Issuing Officer

11/17/22 Sacramento, CA  
Date and Location

Bail fixed at NO BAIL

by Magistrate Judge Allison Claire

**RETURN**

This warrant was received and executed with the arrest of the above-named defendant \_\_\_\_\_

\_\_\_\_\_  
Date Received

\_\_\_\_\_  
Name and Title of Arresting Officer

\_\_\_\_\_  
Date of Arrest

\_\_\_\_\_  
Signature of Arresting Officer